

# CSK Group revitalization

*-Capital increase and disposal of real estate securitization business-*

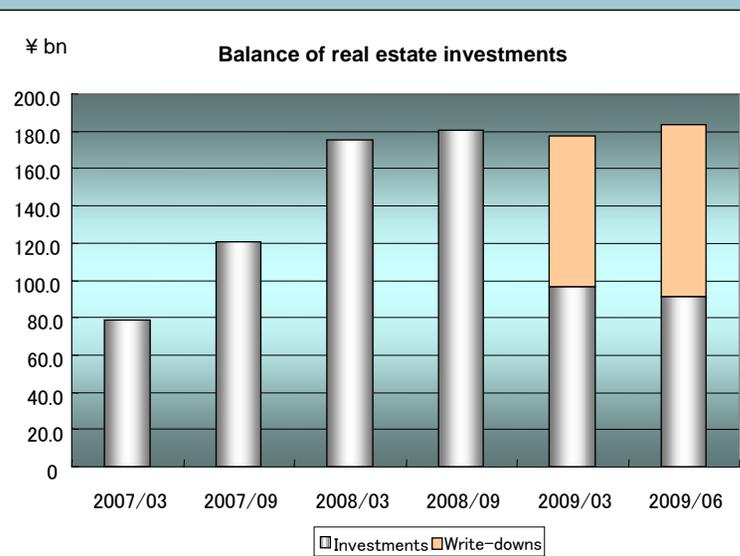
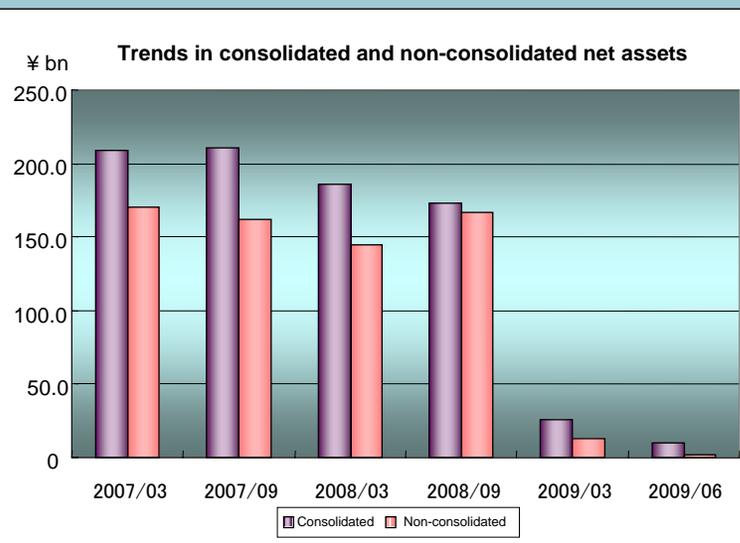


**CSK HOLDINGS CORPORATION**  
**September 9, 2009**

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# 1. CSK's financial position



■ Our financial position as of June 2009 has deteriorated significantly compared to FY07/3, when we posted record operating income of ¥29.9 bn

## (1) Consolidated net assets

Mar. 2007: ¥208.8 bn

June 2009: ¥10.3 bn

1/20th of  
Mar.2007 size

Shareholders' equity ratio: 31.9% → 1.6%

## (2) Share price

Mar. 30, 2007: ¥4,490

June 30, 2009: ¥455

1/10th of Mar. 30,  
2007 price

## (3) Debt

Mar. 2007: ¥98.0 bn (including CB ¥58.0 bn)

June 2009: ¥144.2 bn (including CB ¥56.8 bn)

Bank debt up from ¥40.0 bn to ¥87.5 bn

## (4) Real estate securitization investment balance

Mar. 2007: ¥78.8 bn

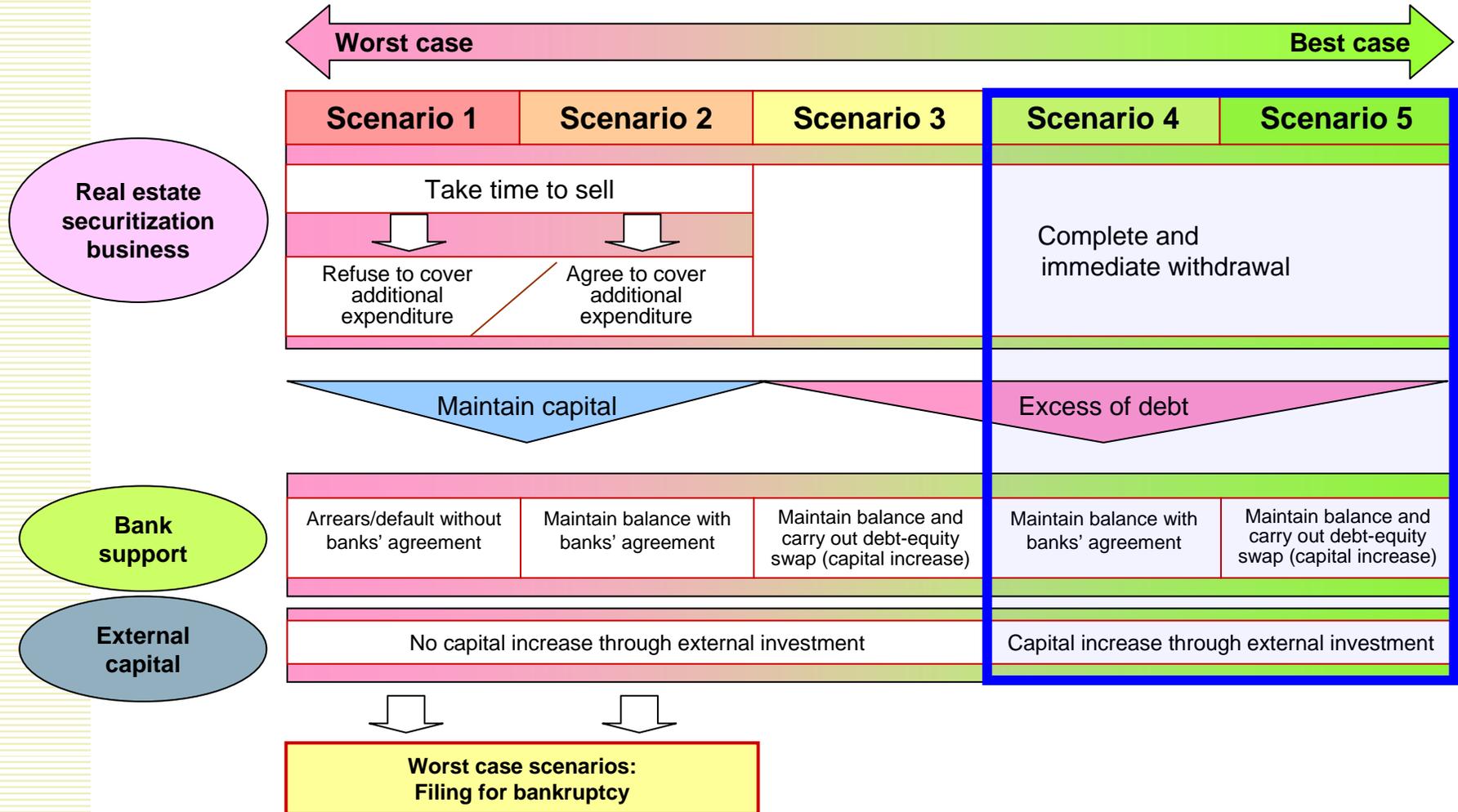
June 2009: ¥183.4 bn (write-down of ¥92.2 bn)

Balance of investments increased 2.3-fold

Decrease in cash	- ¥78.1 bn	(excl. financial services and securities)
Increase in debt	+ ¥46.2 bn	
<b>(Total)</b>	<b>(¥124.3 bn)</b>	
Increase in real estate	¥104.6 bn	

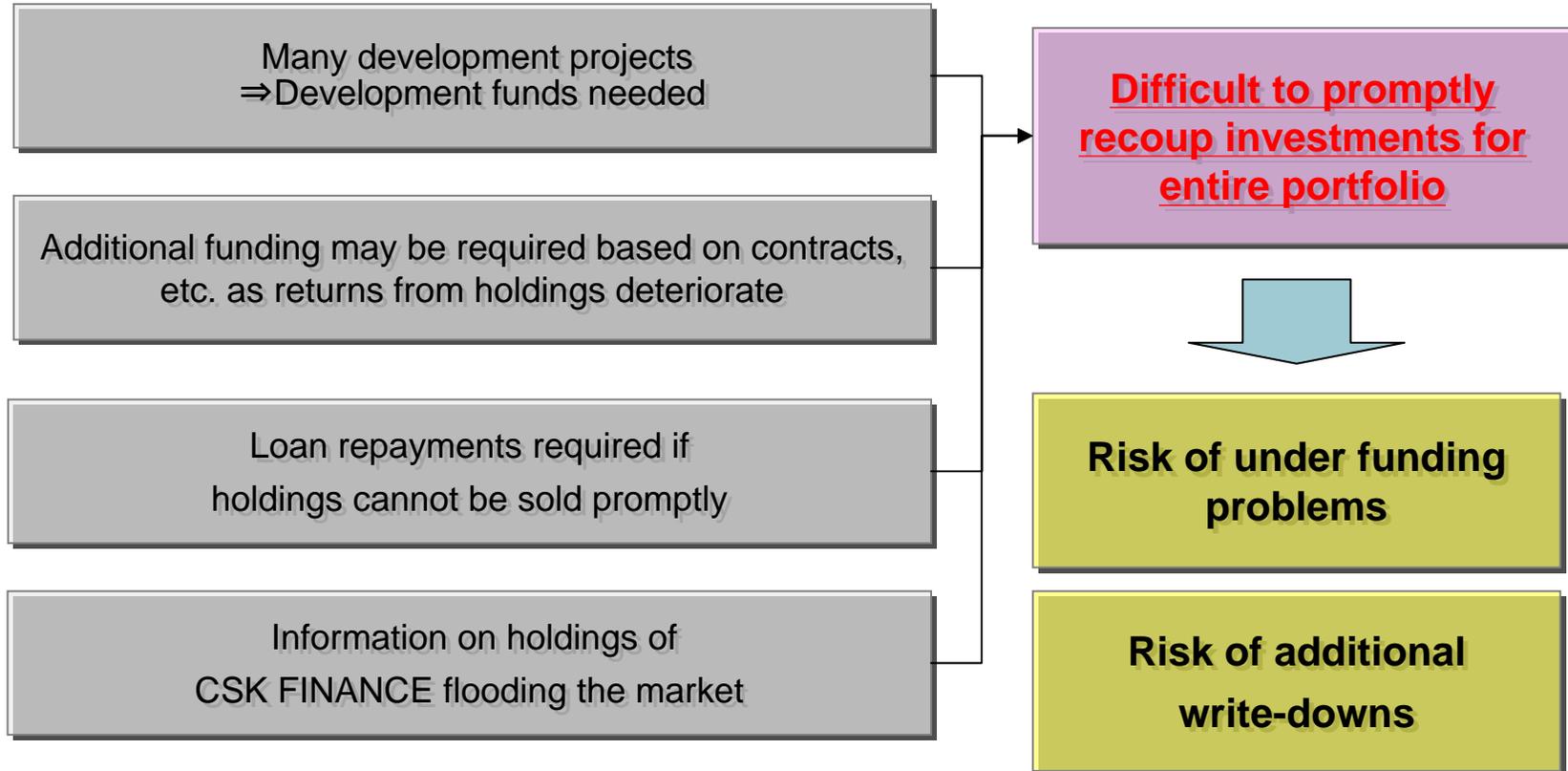
## 2. CSK's revitalization: Five possible scenarios

Withdrawing from real estate securitization business and increasing capital vital for continuing as going concern



### 3. Real estate securitization business risk

Holding real estate assets amid slump in real estate market exposes us to risk



## 4. Risk of continuing with real estate securitization business

### Withdrawing from real estate securitization business to eliminate associated risk

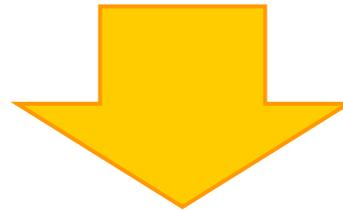
*Aiming to dispel credit concerns and achieve prompt revitalization as an IT services company*

#### ■ Funding risk

- Lower working capital on additional expenditure requirements
- Less certainty about interest-bearing debt repayment
  - ⇒ Lower creditworthiness in both funding and financial aspects

#### ■ Risk of damaging equity capital

- Additional write-downs ⇒ Capital deficit
- ⇒ Lower credibility in capital markets
- ⇒ Impact on credit for business dealings



#### ■ Credit concerns about CSK

Loss of funding flexibility due to reputational damage in capital markets

Impact on IT services business on customers' putting brake on orders

Growing concerns among all stakeholders including customers, business partners and employees

## 5. Measures for eliminating real estate securitization business risk

Considered several measures ⇒ Decided that sale of CSK FINANCE to third party would promptly eliminate risk

### (1) Sale of individual real estate assets

- Aim to enhance sales capabilities by engaging external real estate consultants, partnering with real estate sales companies, etc.
- Sell six assets from portfolio of 40 holdings (as of Mar. 31, 2009)
- Need a certain amount of time (and money) until they can all be sold

### (2) Sale of CSK FINANCE to third party

- Approached a number of Japanese and foreign real estate companies and funds about the sale of CSK FINANCE itself (i.e. the outright sale of its entire portfolio)
- **Received pitches from ACA and one other company about acquiring CSK FINANCE**

(ACA proposed a plan that included a capital increase as well as eliminating real estate risk, whereas the other company focused only on acquiring real estate)

### (3) Liquidation of CSK FINANCE

- Impossible because of the impact it would have on numerous stakeholders

**Note: CSK FINANCE is a wholly owned subsidiary of CSK HOLDINGS that engages in real estate securitization business**

## 6. Equity sponsor for capital increase

ACA to serve as sponsor. Also receiving support from our banks

- Approached numerous prospective equity sponsors seeking support for increasing our capital and eliminating real estate risk
- ACA was the only one to propose a solution encompassing both a capital increase and eliminating real estate risk
- **Signed basic agreement with ACA on capital increase on July 2, and concluded definitive agreement on Sept. 8 after negotiations with our banks**

### Outline of ACA's proposal

- (1) ACA to acquire CSK's shares in CSK FINANCE, along with loans payable by CSK FINANCE to CSK
- (2) Support from CSK's banks: ¥30.0 bn debt-equity swap and refinancing short-term debt as long-term debt
- (3) ACA to increase capital of CSK by subscribing for preferred shares and warrants  
Conversion of these would give ACA a majority of the voting rights in CSK

# 7. About ACA Inc.

- ACA Inc. (formerly Ant Corporate Advisory Inc.) was established as a spin-out from leading Japanese private equity house Ant Capital Partners (formerly Nikko Antfactory)
- ACA has 20 professionals with strong experience in buyout and venture capital investment, and manages funds investing in listed equities, sector-specific funds and tailor-made funds to meet the specific needs of individual companies
- Established investment and operational support system following a capital participation and the secondment of personnel by Sumitomo Corporation in 2008

<b>Name</b>	<b>ACA Inc.</b>	
<b>Main business</b>	<b>Management of investment funds investing in listed equities Management of sector-specific funds, etc. M&amp;A advisory business, etc.</b>	
<b>Date established</b>	<b>Apr. 1, 2005</b>	
<b>Address</b>	<b>10F, Kitano Arms, 2-16-5 Hirakawacho, Chiyoda-ku, Tokyo</b>	
<b>Representative</b>	<b>Akihiro Azuma</b>	
<b>Employees</b>	<b>20</b>	
<b>Paid-in capital</b>	<b>¥189 million</b>	
<b>End of fiscal year</b>	<b>Dec.31</b>	
<b>Main shareholders</b>	<b>Sumitomo Corporation</b>	<b>39.08%</b>
	<b>Ant Capital Partners</b>	<b>16.06%</b>
	<b>Senior management of ACA</b>	<b>41.61%</b>

## ■ Investment style

ACA provides wide-ranging support for its portfolio companies, with ACA team members seeking to maintain and enhance the company's business administration system and business strategies, including providing active management support, while also striving to improve its financial position and carry out business alliance and M&A strategies

When necessary, ACA team members take a hands-on management support style and have a full-time presence at the portfolio company, aiming to improve its corporate value in concrete and practical ways

## ■ Selected investments to date

1. BOOKOFF Corporation
2. Virgin Cinemas Japan K.K.
3. CAA Co., Ltd.
4. GOLF Partner Co., Ltd.
5. MYPRINT Co., Ltd.
6. Willplus Holdings Co., Ltd.
7. Honma Golf Co., Ltd.
8. Japan Relief Co., Ltd.
9. We've Inc.

etc.

## 8. Outline of capital increase-1

**Withdraw from real estate securitization business; capitalize short-term borrowings and refinance others to long term; increase capital through third-party share allotment**

**\*\* Loss of ¥55.0 bn from withdrawal from CSK FINANCE; total capital increase of ¥46.0 bn \*\***

### ① Eliminate real estate risk:

#### **Withdraw from real estate securitization business**

- Selling all shares and debt of CSK FINANCE to ACA limited investment partnership  
→ **Effectively remove all real estate securitization business risk**  
**(Loss of ¥55.0 bn will arise on transfer)**

### ② Gain bank support:

#### **¥87.5 bn of debt; DES and refinance short-term loans to long-term**

- Capitalize short-term loans through ¥30.0 bn debt equity swap
- Refinance ¥50.0 bn from short to long-term loans
- Curtailment payment of ¥7.5 bn at time of capital increase  
→ **Debt will mainly become long term, improving liquidity ratio**  
**Debt repayment in line with business plan will remove capital risk**

### ③ Capital increase from ACA:

#### **¥16.0 bn capital increase**

- Third-party share allotment to investment partnership established by ACA will underwrite capital increase of ¥16.0 bn. (preferred share issue)
- A total issuance of ¥6.0 bn in stock acquisition rights

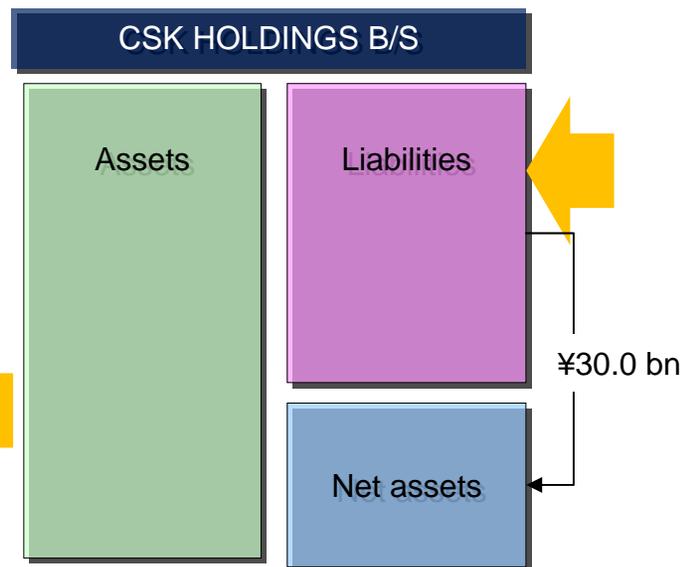
**Capital  
increase  
¥46.0 bn**

# 9.Outline of capital increase-2

Fully withdraw from real estate securitization business to eliminate risk of damage to equity capital and risk of additional losses

① CSK-HD transfers all shares and loans of CSK FINANCE

- Transferee: ACA Properties Limited Investment Partnership
- Transfer items:
  - ① All shares of CSK FINANCE for ¥1
  - ② Loans receivable of ¥120.0 bn (after loss reserve of ¥30 bn) for approximately ¥500 million
- Loss on transfer: Approximately ¥55.0 bn
- Notes: CSK-HD will continue to hold approximately ¥17.0 bn of loans deemed to have high potential for recovery



Eliminate cash-flow risk through long-term refinancing and capitalization of debt

② Support from banks  
Debt equity swap  
Refinancing to long term

- Total debt: ¥87.5 bn
  - Short term (non-consol.) debt ¥67.5 bn
  - Bonds (private) ¥20.0 bn
- Outline of DES: Swapping of ¥30.0 bn of short-term debt from four banks (Sumitomo Trust & Banking Co., SMBC, MUFJ, Mizuho Corporate Bank) into preferred shares
- Type of shares: Class A and B preferred shares
- Refinancing of short-term debt: ¥50.0 bn refinanced as long-term debt
- Notes: ¥7.5 bn curtailment payment to banks is planned

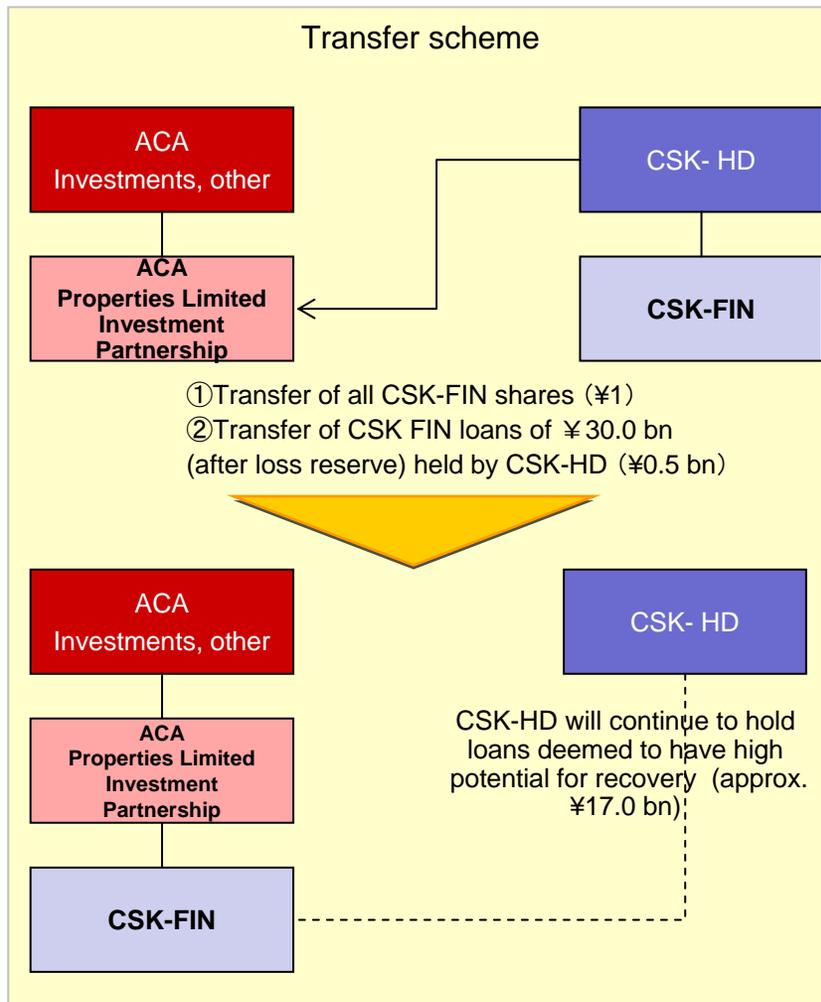
Eliminate risk of capital deficit

③ Capital increase via third-party allocation to ACA

- Amount: ¥16.0 bn
- Subscriber: Godo Kaisha ACA Investments
- Type of shares: Class C, D, E and F preferred shares
- Notes: ¥6.0 bn of stock acquisition rights also issued

# 10. Transfer of CSK FINANCE shares and loans

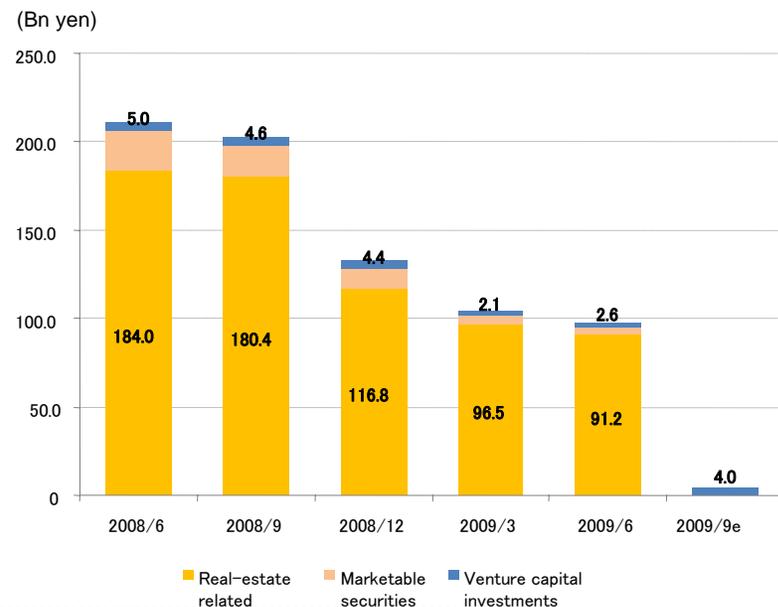
**Withdraw from real estate securitization business by transferring shares and loans of CSK FINANCE**  
**\*\*Effectively remove risk of additional losses from real estate securitization business\*\***



**Investment total trends in financial services business** (Unit: bn yen)

	2008/6	2008/9	2008/12	2009/3	2009/6	2009/9e
Venture capital investments	5.0	4.6	4.4	2.1	2.6	4.0
Investments related to financial services	206.2	198.3	128.6	101.9	95.1	0
Marketable securities	22.2	17.8	11.8	5.4	3.9	0
Real estate related	184.0	180.4	116.8	96.5	91.2	0
Liabilities related to financial services	44.1	31.7	42.7	41.0	40.2	0

\* It is planned that a portion of marketable securities will be transferred to venture capital investments and investments in securities

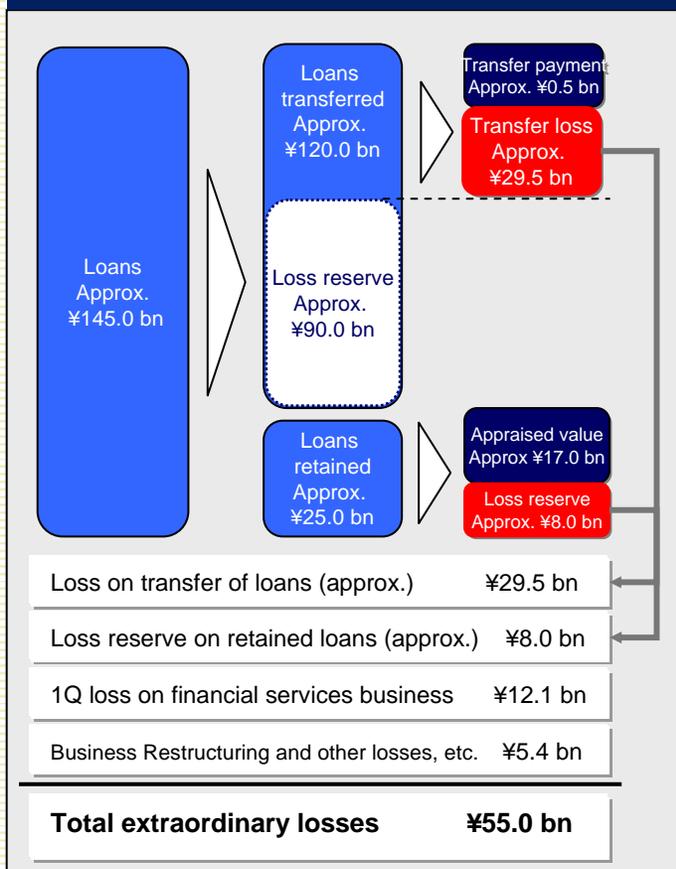


# 11. Change in consolidated net assets

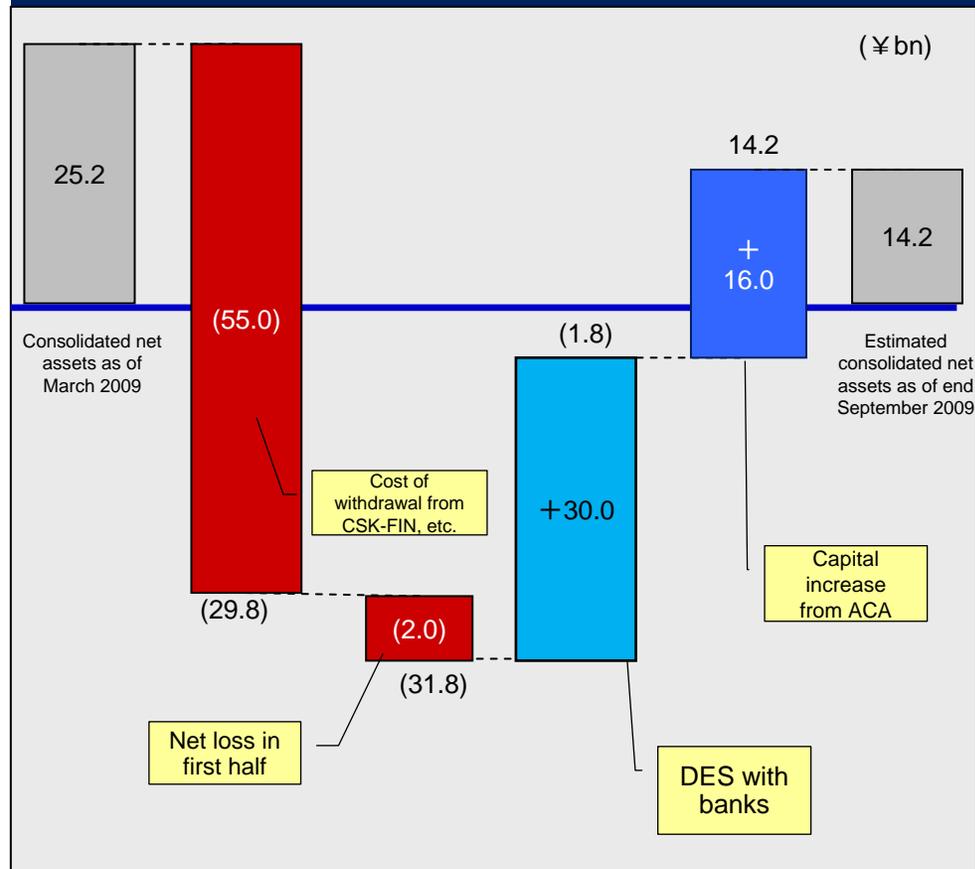
**A loss of approximately ¥55.0 bn will arise from the transfer of CSK FINANCE. However, capital increases and other measures will increase net assets**

**\*\*Aiming to secure net assets of approximately ¥20.0 bn by end March 2010\*\***

## Overview of losses



## Overview of net assets



# 12. Overview of preferred shares and stock acquisition rights

## Valuation of the preferred shares and stock acquisition rights

● Decided the prices after comprehensive consideration of numerous factors including the economic environment and our financial position, credit capabilities and credit ratings, and in consultation with third-party institutions, based on our assessment that a capital increase of this scale and at this time was absolutely necessary

		Bank Preferred Shares		ACA Preferred Shares				ACA Stock Acquisition Rights		
		Class A	Class B	Class C	Class D	Class E	Class F	The 6th stock acquisition rights	The 7th stock acquisition rights	
Issue	Total paid-in amount	¥15,000,000,000	¥15,000,000,000	¥2,500,003,000	¥2,500,300,000	¥5,500,000,000	¥5,500,000,000	¥3,000,000,000 (after exercise of rights)	¥3,000,000,000 (after exercise of rights)	
	No. of shares issued	15,000	15,000	227,273	2,273	5,000	5,000			
	Paid-in amount per share	¥1,000,000	¥1,000,000	¥11,000	¥1,100,000	¥1,100,000	¥1,100,000			
Preferred dividend	Dividend rate	<ul style="list-style-type: none"> <li>■ No preferred dividends up to and including FY12/3</li> <li>■ For dividends for FY12/3 onward: Japanese yen Tibor (six months) + 1.0%</li> </ul>	<ul style="list-style-type: none"> <li>■ No preferred dividends up to and including FY12/3</li> <li>■ For dividends for FY12/3 onward: Japanese yen Tibor (six months) + 1.2%</li> </ul>	<ul style="list-style-type: none"> <li>■ No preferred dividends up to and including FY14/3</li> <li>■ For dividends for FY15/3 to FY19/3: Japanese yen Tibor (six months) +0.5%</li> </ul>				<ul style="list-style-type: none"> <li>■ Paid-in amount: ¥171,600,000</li> <li>■ Issue date: Sept. 30, 2009</li> <li>■ Exercise price: ¥125</li> <li>■ No. of rights: 240,000</li> <li>■ Exercise period: Mar. 1, 2010-Mar. 31, 2011</li> <li>■ Amendment of exercise price: N/A</li> <li>■ Restrictions on transfer: Yes</li> </ul>	<ul style="list-style-type: none"> <li>■ Paid-in amount: ¥295,680,000</li> <li>■ Issue date: Sept. 30, 2009</li> <li>■ Exercise price: ¥125</li> <li>■ No. of rights: 240,000</li> <li>■ Exercise period: Mar. 1, 2011-Mar. 31, 2012</li> <li>■ Amendment of exercise price: N/A</li> <li>■ Restrictions on transfer: Yes</li> </ul>	
	Voting rights	None		22.37% (1 voting right per share)	None					
Conversion right	Conversion right period	Mar. 1, 2017 - Sept. 30, 2027	Mar. 1, 2019 - Sept. 30, 2029	Mar. 1, 2010 or later	Mar. 1, 2010 or later	Sept. 1, 2011 or later	Mar. 1, 2013 or later			
	Initial conversion price	¥434.90		¥110						
	Terms and conditions of amendment	Amendment date	Every Mar. 1 starting from the year following the year in which the conversion rights become exercisable		Every Mar. 1 starting from the year following the year in which the conversion rights become exercisable					
		Amended price	Volume weighted average trading price of common stock for 30 trading days starting 45 trading days prior to conversion price amendment date		Volume weighted average trading price of common stock for 30 trading days starting 45 trading days prior to conversion price amendment date					
		Maximum conversion price	300% of initial conversion price		Initial conversion price					
Floor conversion price		45% of initial conversion price		70% of initial conversion price						
Redemption right	Redemption right period	Mar. 1, 2016 or later	Mar. 1, 2018 or later	Mar. 1, 2020 or later						
Mandatory redemption	Redemption period	Apr. 1, 2012 or later		On or after the day when the total number of outstanding shares of the Bank Preferred Shares (excluding the Bank Preferred Shares held by the Company) becomes zero (but only on and after Apr. 1, 2014)						

# 13. Basic policy on designing preferred shares-1 (dilution)

Designed the preferred shares in a way that prevents a major dilution in a short period

*Set restrictions and terms and conditions for converting to common stock*

- Set phased periods in which conversion rights are exercisable for each type of preferred shares in order to avoid dilution in a short period
- Made it possible for us (if our financial position allows) to redeem the Bank Preferred Stock before it is converted, by setting the period in which mandatory redemption rights are exercisable for Bank Preferred Shares (Classes A and B) before the period in which their conversion rights are exercisable

Preferred shares		FY10/3				FY11/3				FY12/3				FY13/3				FY14/3				FY15/3				FY16/3				FY17/3				FY18/3				FY19/3				FY20/3				FY21/3			
Class	Amount (¥bn)	Q3	Q4	Q1	Q2	Q3	Q4																																										
A conversion rights	15																																																
A mandatory redemption	15																																																
B conversion rights	15																																																
B mandatory redemption	15																																																
C conversion rights	2.5																																																
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## 14. Basic policy on designing preferred shares-2 (dividends, voting rights)

Designed the preferred shares with consideration of our future circumstances and governance system

### 1. Preferred dividends: No dividends for first few years

- Bank Preferred Shares (Classes A and B): No dividends up to and including FY12/3
  - ⇒ From then on, Class A pay JPY TIBOR (six months) +1.0% and Class B JPY TIBOR (six months) +1.2%
- ACA Preferred Shares (Classes C – F): No dividends up to and including FY14/3
  - ⇒ JPY TIBOR (six months) +0.5% for FY15/3 – FY19/3

### 2. Voting rights: Only Class C has voting rights (approx. 22%)

- Preferred shares other than Class C: No voting rights
- Class C: Giving approx. 22% of voting rights to ACA

# 15. Basic policy on designing preferred shares-3 (voting rights/dilution rate)

**ACA could acquire 56.5% to 70.7% of CSK's voting rights**  
**Dilution rate of 241% if the Bank Preferred Shares are not converted**

		Paid-in amount (¥ mn)	Initial conversion price (¥)	Conversion of all to common stock (Mar. 2019)		If Bank Preferred Shares are not converted	
				No. of shares	Share	No. of shares	Share
Bank Preferred Shares	Classes A and B	30,000	434.9	68,981,373	20.1%		
ACA Preferred Shares	Classes C, D, E and F	16,000	110.0	145,457,300	42.4%	145,457,300	53.1%
All preferred shares		46,000		214,438,673	62.6%	145,457,300	53.1%
ACA Stock Acquisition Rights	All stock acquisition rights	6,000	125.0	48,000,000	14.0%	48,000,000	17.5%
Total investment		52,000		262,438,673	76.6%	193,457,300	70.7%
Outstanding shares at present				80,290,414	23.4%	80,290,414	29.3%
Total outstanding shares after conversion				342,729,087	100.0%	273,747,714	100.0%
<b>Dilution rate</b>					<b>327%</b>		<b>241%</b>

Reference: Shares by conversion date

	ACA Preferred Shares				Bank Preferred Shares (BPS)	
	Mar. 1, 2010	Mar. 1, 2011	Sept. 1, 2011	Mar. 1, 2013	Mar. 1, 2017	Mar. 1, 2019
Total shares converted	69,457,300	93,457,300	143,457,300	193,457,300	227,947,988	262,438,675
Total outstanding shares	149,747,714	173,747,714	223,747,714	273,747,714	308,238,402	342,729,089
% of voting rights	20%	27%	42%	56%	67%	77%
% of voting rights (excl. BPS)	25%	34%	52%	71%	--	--
Dilution rate	87%	116%	179%	241%	284%	327%
Shares subject to conversion	Classes C, D, and 6 <sup>th</sup> SAR	7 <sup>th</sup> SAR	Class E	Class F	Class A	Class B

\* Assuming that the preferred shares and stock acquisition rights will be exercised at the initial conversion prices on the first day of the conversion period

# 16. Interest-bearing debt

- Steadily pay down debt refinanced at longer terms and redeem preferred shares
- Redeem euro-yen and domestic convertible bonds

- CSK's banks are supporting CSK on the grounds that it has a vital role in society, is well positioned for recovery, and will be able to repay its debt
- Asset sales and operating revenue will enable repayments to banks of ¥10 bn per year (for 5 years)

(¥ mn)

		Debt balance (as of Sept. 29)	Due date			
Short-term debt		67,500	Monthly rolling	Debt-equity swap	Curtailment payment	Long-term debt
Private placed bonds		20,000	Jul. 2010	30,000	7,500	30,000
<b>Subtotal</b>		<b>87,500</b>				20,000
Convertible bonds	Euro-yen CB	21,792	Sept. 2, 2011	30,000	7,500	50,000
	Domestic CB	35,000	Sept. 30, 2013			21,792
	<b>Subtotal</b>	<b>56,792</b>				35,000
<b>Total debt</b>		<b>144,292</b>		<b>0</b>	<b>0</b>	<b>56,792</b>
				<b>30,000</b>	<b>7,500</b>	<b>106,792</b>

## Main items agreed with banks

- Avoid excess of debt in both consolidated and non-consolidated balance sheets at end of each fiscal quarter from FY2009 onward
- Avoid negative consolidated operating income each fiscal year from FY2009 onward

\*Excludes operating loss in financial services business for FY2010/3

# 17. Management team (from Oct. 2009 onward)

**Current management of CSK to resign;  
a majority of outside directors to oversee revitalization until  
its completion**

- **Director**            **Akihiro Azuma (Representative Director and Chairman)**            (Currently: Representative Director and President , ACA Inc.)
  - **Director**            **Takeshi Nakanishi (Representative Director and President)**            (Currently: Representative Director and President,  
CSK SYSTEMS CORPORATION)
  - **Director**            **Tatsuyasu Kumazaki (Director, Managing Executive officer)**            (Currently: Managing Executive Officer, CSK HOLDINGS)
  - **Director**            **Toshiyasu Horie (Director)**            (Currently: Managing Partner, ACA Inc.)
  - **Director**            **Hiroyuki Yamazaki (Director: Outside Director)**            (Currently: Sumitomo Corporation)
  - **Director**            **Katsushige Kondo (Director: Outside Director)**            (Currently: Executive Director, Japan Association for CFOs)
  - **Statutory auditor** **Akihiko Harima**            (Currently: Audit Division Manager, CSK HOLDINGS)
  - **Auditor**            **Iwao Ishikawa (Outside auditor)**            (Formerly: Senior Partner, Tohmatsu LLC)
  - **Auditor**            **Masanobu Shitanii (Outside auditor)**            (Formerly: Director, Mitsubishi Automotive Engineering CO., Ltd.)
- 
- **\*To be presented for election at the extraordinary shareholders' meeting on Sept. 29**
  - **\*Current directors and corporate auditors scheduled for resignation effective Sept. 30**

# 18. Management policy

- Pursue highly transparent and convincing management based on strong communication
- Revitalize the CSK brand, which unifies employees
- Manage the business with focus on our operating companies

- Pursue timely decision-making and effective monitoring of business by establishing administrative body to function as advisory committee to board of directors, while maintaining strict governance through the board of directors

- Establish revitalization team comprised of CSK, ACA, and external members

- Seek both partial and comprehensive alliances with business partners in IT services (explore possible collaborations across a range of fronts to expand the business)
- Strengthen CSK brand as an independent IT services company

- Pursue business execution through **Executive Officer Meeting** comprised of Group company presidents

- Form revitalization team with external consultants
- Consider CSK revitalization plan

- Consider possible alliance with Sumisho Computer Systems

**Consider new management measures, aiming to announce them with interim results**

# 19. Exploring possible business collaborations

**Plan to consider possible collaborations across a range of fronts to strengthen and develop operating foundation**  
*Begin by examining feasibility of collaboration with Sumisho Computer Systems, which has strong ties with ACA*

## ■ CSK policy

We will pursue initiatives aimed at revitalizing CSK as an **independent IT services Group** in order to **breathe new life into the CSK brand**, which unifies the Group. Leveraging the technology, human resources and customer base it has cultivated over many years, CSK will, as a means of building a new operating foundation, seek alliances with other companies both in new and existing business areas, aiming to expand the business and enhance the corporate value of CSK Group over the medium to long term.

## ■ **Begin talks with Sumisho Computer Systems regarding possible alliance**

1. Agree to start talks toward forming business alliance
2. Seek alliance that will enable formation of a win-win relationship, in order to strengthen and develop the operating foundations of both companies

## 20. Revisions to interim and full-year forecasts

Reflected the impact of the transfer of the shares and loans receivable from CSK FINANCE in interim and full-year forecasts

**Interim forecasts (Apr. 1, 2009 to Sept. 30, 2009)** (¥ mn)

	Previously announced forecast	Revised forecast	Change	
			(¥)	(%)
Sales	95,000	95,000	0	0
Operating income (loss)	(3,900)	(3,900)	0	0
Ordinary income (loss)	(2,800)	(2,800)	0	0
Net income (loss)	(2,000)	(57,000)	(55,000)	N/A

**Full-year forecasts (Apr. 1, 2009 to Mar. 31, 2010)** (¥ mn)

	Previously announced forecast	Revised forecast	Change	
			(¥)	(%)
Sales	195,000	195,000	0	0
Operating income (loss)	1,600	1,600	0	0
Ordinary income (loss)	3,100	3,100	0	0
Net income (loss)	1,100	(54,000)	(55,100)	N/A

- Due to the disposal of real estate securitization business assets, the related losses incurred in Q1 have been reclassified as extraordinary losses in Q2

# 21. Basic policy on revitalization

## Steady implementation of business restructuring and cost reduction initiatives

Growth strategy to be announced upon formulation, following discussion with ACA

### Reduce financial risk

1. Reduce risks associated with financial services business  
Scale down real estate and other FS business, sell assets, freeze investment
2. Strengthen financials  
Maintain financial stability through capital increase and refinancing loans with longer terms

### Reorganize business

1. Focus on IT services business—Total restructuring  
Withdraw from businesses that are unprofitable or lack potential for expansion, strengthen profit base  
(Implement total restructuring of IT services business with no areas off limits)
2. Implement strict cost reduction measures  
Implement thorough cost-cutting and continuously review cost structure

### Enhance governance

- Executive Officer Meeting and Business Restructuring Project
  - Establish Executive Officer Committee comprising presidents of Group companies in order to maintain transparency and appropriate decision-making
  - Establish Business Restructuring Project to manage business recovery, restructuring, and asset disposal



Medium-term target  
(FY12/3):  
**Operating income  
¥10.0-12.0 bn**

## 22. Capital increase schedule

**Steadily implement business restructuring and cost cutting initiatives**  
*Growth strategy to be announced upon formulation, following discussion with ACA*

<b>July 2</b>	<b>Basic agreement with ACA regarding capital increase</b>
<b>Aug. 15</b>	<b>Extraordinary shareholders' meeting record date</b>
<b>Sept. 8</b>	<b>Definitive agreement with ACA</b> <b>Conclusion of agreement with four of our banks</b> <b>Extraordinary shareholders' meeting convocation, finalization of agenda</b>
<b>Sept. 29</b>	<b>Extraordinary shareholders' meeting</b> <ol style="list-style-type: none"><li>1. Partial amendment to the Articles of Incorporation of the Company (addition of conditions relating to issuance of preferred shares)</li><li>2. Partial amendment to the Articles of Incorporation of the Company (addition of conditions relating to limited liability agreement)</li><li>3. Offering of Shares for Subscription at Favorable Price through Third Party Allotment</li><li>4. Offering of Stock Acquisition Rights for Subscription at Favorable Price through Third Party Allotment</li><li>5. Election of 6 Directors</li><li>6. Election of 3 Statutory Auditors</li></ol>
<b>Sept. 30</b>	<b>Payment, capital increase, issuance of preferred shares</b>
<b>(Early) Nov.</b>	<b>Interim results announcement and presentation</b> <b>IT services business: Explanation of future business policy</b>



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